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March 21, 1988

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If you want to sell cars in New Hampshire, you don't invite customers to a chili cookout.

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Instead, try monoch… ment and sporty … watch your stock sell … Coast trendsetters.

To the automotive marketer, the … States is becoming a highly segmented market in which to advertise … cars and trucks. New battle lines are drawn in specific geographic areas, and manufacturers are tailoring their sales messages to reach …

see MARKETING, page …

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Automotive News

March 21, 1988

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Is Ford eyeing Rover?

U.K. tax changes may spur company

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Rival bidders for Britain's Rover Group are expected to emerge in the wake of British Aerospace's surprise bid to buy the state-owned car manufacturer.

But to the relief of Honda, Rover's long-standing industrial partner, the political attractiveness of a "British solution" may prove too much for multinational automakers to overcome.

British Aerospace is negotiating to acquire the United Kingdom government's 99.7 percent stake in Rover — in effect short-circuiting the privatization process that has been laid out for the group. The two companies have until the end of April to conclude a deal and, in the meantime, countermoves by other parties are expected to develop.

The most intense speculation surrounds Ford Motor Co. Indeed, the stakes for Ford increased last week as the British government announced a plan to double the levy on company cars as part of a sweeping tax-reform measure.

With a commanding share of the country's vital fleet business, Ford would be particularly hard hit by the tax hike, industry analysts say. But acquisition of Rover and its 15 percent United Kingdom share would give market-leading Ford about 45 percent of British new-car sales.

"I think Ford still will try for Rover because it would make them almost unchallenged in the U.K.," said Sanjay Dabysing of DRI-Europe in London. "Life would become that much easier for them. And if anybody is going to be hit

see ROVER, page 56

Mazda's Schultz with the UAW's Richard Shoemaker, left, and Lofton — GLENN TIBBS

Mazda pact assures jobs

Execs' pay to be cut before layoff; strikes outlawed

By Louisa Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The first contract between a UAW-represented workforce and a Japanese auto manufacturer in the United States will bring Mazda Motor Manufacturing (USA) workers to wage parity with Big 3 workers by 1991.

The contract also contains better job guarantees than those won by General Motors and Ford Motor Co. workers last year. Mazda workers agreed not to strike for any reason.

As part of the three-year pact, Mazda agreed to cut management and officers' salaries before any hourly worker is laid off.

Auto workers in Japan have similar unspoken guarantees. But Henry Schultz, director of labor relations at Mazda said, "This is America, and that is in writing."

A UAW official said, "The job security language is similar to NUMMI's (New United Motor Manufacturing Inc.) but is perhaps even stronger." NUMMI is the GM-Toyota joint-venture assembly plant in Fremont, Calif.

The Mazda workers had been working under an interim agreement and a letter of intent signed by Mazda and the UAW. Those agreements pledged "the union's long-term cooperation in the commitment to the principles of flexibility, efficiency and the implementation of work practices and production systems similar to those used by Mazda in Japan."

Workers at the Mazda plant in Flat Rock, Mich., who are members of the newly established UAW Local 3000, approved their first contract 1,494 to 174 last Thursday. The UAW represents more than 2,000 workers building the Mazda MX-6 and the Ford Probe.

Ernest Lofton, director of UAW Region 1A and chief UAW negotiator, said the union hopes the ratification will help boost its efforts at organizing other Japanese auto plants in the United States.

The Mazda agreement is in effect from March 7 to March 3, 1991.

Highlights of the contract provided by the UAW include the following provisions:

JOB SECURITY: Mazda agreed not to lay off any worker "unless compelled to do so by economic conditions and financial circumstances so severe that its long-term financial viability is threatened."

Before laying off any workers, the company will reduce the salaries of its officers and management, in-source work previously

see MAZDA, page 58

EDS halts Dealerline installations

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' Electronic Data Systems Corp. has advised all dealers with pending purchase agreements for its much-ballyhooed Dealerline computer software system that it will cancel the agreements and return their deposits.

The company said it is not withdrawing from selling dealer communications software and that this action was taken purely to assure quality.

Despite EDS claims that there are no serious flaws in the software, only two Dealerline applications are still being marketed.

From the time that GM acquired EDS in 1984, the company promised to develop a dealership system. That announcement set off quakes of conjecture within the industry, as computer competitors worried about the entrance of such a well-funded player into their arena. They also feared that EDS would have an inside track on GM's 10,000 dealers, even with its inexperience in developing dealership systems.

At the National Automobile Dealers Association convention in early 1988, EDS set up a prominent display and urged dealers to delay their computer purchases until they saw what EDS would offer. It unveiled Dealerline a year later, at the 1987 NADA show, and began marketing it in June 1987, touting it as the answer to all dealer in-house computer needs and as the only system to offer exclusive communication capabilities with GM.

Since then, it has sold 200 Dealerline systems — ranging in price from $150,000 to $190,000, according to dealers — and installed 160.

Now the company says it has "slowed" marketing efforts and notified dealers that it will not install systems sold to them until early 1989.

EDS also told the 40 dealers with pending orders that it will return their deposits and compensate them for all costs related to their purchase of Dealerline.

EDS said its move reflects the "tremendous reception by dealers to the program and the company's inability to install, instruct and support dealerships in a manner that meets with EDS standards."

Two GM dealers who bought the entire Dealerline program and were spokesmen for the EDS system in the company's ads said the system has "bugs" but declined to discuss them specifically. EDS declined to provide the names of other dealers with its system in operation.

see EDS, page 61

GRAND SLAM

New Continental a big winner for L-M; dealer orders exceed scheduled '88 build

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

The new Lincoln Continental, touted as a home run car before its launch, is taking on the look of a grand slam in Ford's 1988 box score.

To date, three months after introduction, dealers have ordered more cars than the company will build in the entire 1988 model year, Lincoln-Mercury says. With 85 percent of current output backed by retail orders, dealers have little chance to build inventory.

L-M is also wrestling with the question of how to appease customers who have to wait three months or more for delivery. As a small token, L-M is giving Cross pen and pencil sets to those who

see CONTINENTAL, page 55

Dealer Kuhn: "This car is turning people into kids in a candy store"

Dealer total slips; 24,938 counted in U.S.

By Edward Lapham and John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTERS

The number of dealerships selling new cars in the United States declined last year, although more outlets now sell imported cars than domestic cars.

The annual Automotive News dealership census found that on Jan. 1, there were 24,938 new-car dealerships in the United States, down 0.87 percent from the 25,156

see DEALERS, page 38

NEWSPAPER

INSIDE:

Toyota seeks plant to build U.S. trucks — Page 5
Premier hits target market — Page 55
Makers tune incentives; Cadillac aims at Lincoln — Page 60

Grievance plan slated as Chrysler trims jobs

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

ROCHESTER, Mich. — Chrysler Corp. will institute a grievance procedure for all salaried employees, including executives, as it continues to trim its employee levels and levels of management.

Anthony P. St. John, Chrysler Motors vice president — industrial relations, said that later this year, salaried employees will be offered a four-step grievance procedure ending in binding arbitration by a neutral third party.

Specifically, the procedure is likely to be used for "discipline, discharge and employment-opportunity disputes," he said.

The move was sparked by a "dramatic restructuring" currently under way at Chrysler that St. John said "will inevitably lead many employees to question management's decisions and actions."

St. John said Chrysler is seeking to reduce its layers of management as well as its employee level to make it more competitive.

St. John

"The major organizational groups in our company average about eight levels of managers and employees while our Japanese competition has five to six levels," St. John said. "We're working to get our major groups down to six layers as soon as possible, with divisions such as human resources and finance down into the four or five range to match the Japanese."

St. John, speaking at a labor-management forum at Oakland University here, said the process is designed to "improve employee relations and management practices and lessen misunderstandings."

While declining to specify a percentage of workforce reduction, he said the reductions "hopefully will be handled, in the main, through attrition."

Chrysler last year laid off an estimated 3,500 salaried employees from its 38,000-person white-collar workforce, and said at that time it anticipated 3 percent annual cuts in its salaried workforce for the next three calendar years.

Super power readied for Mustang
Jack Roush Performance Engineering has built an engine that is said to outperform Corvette's King-of-the-Hill powerplant. It is rumored to be a 500-horsepower twin-turbocharged, 351-cid V-8 for this 25th-anniversary 1989 Mustang. But Ford has not yet decided to proceed or kill the project, sources say.

GM engine cracks

305-cid V-8s in '87-'88 models targeted

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Some of General Motors' 305-cubic-inch V-8 engines, which fit into late-model Chevrolet and Pontiac cars and trucks, are developing engine block cracks and porosity due to a manufacturing defect.

A General Motors spokesman said the problem can occur in 1987 and early 1988 models.

GM said it believes the problem will only affect a fraction of one percent of all 305-cid engines. However, an informal survey of 12 dealer service managers or advisors around the country found eight dealers that had experienced the problem or knew of other dealers that had experienced it. All eight were Chevrolet dealers.

A Pontiac spokesman said the problem has not shown up in its cars.

The problem relates to a change in the handling of the rough casting at the foundry early in the 1987 model year, a GM spokesman said. The defective engines were cast at a GM Central Foundry facility in Saginaw, Mich. The facility, however, did not produce all 305-cid engines used in 1987 models.

GM is preparing a technical service bulletin, scheduled for release April 1. it will tell technicians that an otherwise unexplained loss of coolant may indicate a problem in the block casting.

When coolant leaks internally, into the engine oil, the engine eventually is destroyed.

The company did not specify how many vehicles are equipped with the 305-cid V-8.

In 1987, Automotive News estimated the engine was installed in 370,000 rear-drive cars, including Chevrolet Camaro, Caprice, Monte Carlo and Pontiac Firebird models.

GM sold 831,416 light trucks in 1987. The 305-cid V-8 was offered in most of those; however, no installation breakout was available.

Dealers that had experienced the problem said it usually showed up as cracking or porosity in the V-area of the engine, which is hidden by the intake manifold. In one case, a dealer had seen the problem in a 1986 model.

Jack G. McCloskey, service director at Jim Quinlan Chevrolet Co., Clearwater, Fla., had not experienced the block problem, but said, "At the Tampa Bay service manager's club, six service managers out of about 20 had seen the problem.

"There was some confusion because some of us felt we had seen destroyed engines but attributed it to neglected maintenance. When coolant seeps into the oil, it turns it into a gel and it looks as if the oil hasn't been changed."

Cars and trucks with the defect are covered by GM's six-year/60,000-mile powertrain warranty, introduced in 1987. If the defect is found after the one-year/12,000-mile warranty expires, customers have to pay a $100 deductible.

The cost to GM may be high. Labor costs to replace an engine can range from $400 to $800, depending on the vehicle, engine accessories and the dealer's flat rate per repair hour. Also, a dealer makes about $300 parts profit on a 305-cid V-8 replacement engine under warranty, according to sources.

GM has another 5.0-liter V-8, displacing 307-cubic-inches, but that engine is not affected.

Toyota seeks plant to build U.S. trucks

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

TORRANCE, Calif. — Toyota is laying plans for U.S. production of light-duty trucks, although final approval has not been received from the parent company in Japan.

"Eventually we will go ahead with truck production in the United States," a Toyota Motor Sales U.S.A. spokesman said. "Look at the logic. We pay a 25 percent duty on imported trucks, our sales have dropped off and our prices are way out of line, especially on the base models."

Toyota needs U.S. truck sourcing, said Martin Stein, director of the automotive analyst group of Abt Associates, Washington.

The strengthening of the yen, which makes Japanese goods cost more here, plus import duties on trucks, is hurting Toyota badly in the price-sensitive pickup market, Stein said.

Nissan already produces trucks in its Smyrna, Tenn., plant. Mazda is exploring sourcing trucks from Ford Motor Co., and more trucks will come from the Isuzu-Subaru plant under construction in Indiana.

Toyota's search for a suitable U.S. assembly site is on. Last month, Toyota executives toured Volkswagen of America's Westmoreland, Pa., assembly plant, which is scheduled to close at the end of the 1988 model run. But Toyota quickly ruled out Westmoreland.

The most logical remaining choices, according to Toyota, are:

- New United Motor Manufacturing Inc., the sprawling former General Motors car and truck assembly plant in Fremont, Calif., now producing Chevrolet Novas and Toyota Corolla FXs as a GM-Toyota joint venture.
- A greenfield plant.
- An expansion of Toyota's new Georgetown, Ky., assembly plant, due to open this summer.

NUMMI has long been considered a potential site for Toyota manufacturing. The Chevrolet Nova and Toyota Corolla FX models assembled there are officially carried on Toyota's books as knock-down kits.

The 3-million-square-foot complex south of San Francisco produced light-duty trucks and rear-wheel-drive mid-sized cars before closing in early 1982. NUMMI, with a current capacity of 900 cars a day, fills the plant with storage, training and recreational uses but only about half of the space is for manufacturing.

"Obviously, it is a logical option," said a NUMMI spokesman. "But there has been no formal discussion with us."

Toyota's first greenfield foray into U.S. manufacturing is in Kentucky. It is more central than California for shipping to the bulk of U.S. markets.

Toyota's drive to increase U.S. content, for both political and cost reasons, may also be a factor.

If Toyota adds engine and component capacity near its Kentucky plant, that would argue in favor of any truck assembly facility also being within easy shipping distance.

Nissan ad agency eyes PR firm

LOS ANGELES — Chiat/Day is negotiating to acquire Bob Thomas & Associates, the firm that handles public relations for Nissan Division of Nissan Motor Corp. in U.S.A.

Acquisition talks between Thomas & Associates and Chiat/Day Marketing and Communications Inc., the holding company for the advertising firm that won the $150 million Nissan corporate ad account last August, have been in progress "for the better part of three or four months and are moving close to an agreement," a spokesman for the public relations firm said.

According to the spokesman, the contracts are being reviewed by each firm's attorneys. "An agreement could come at any time. However, no date has been set for the formal signing," he said.

Bob Thomas said that he will continue to run the firm under the same name and at the same location in Redondo Beach, Calif. Thomas & Associates has been in business 16 years, and has been Nissan's agency for 15 years.

Chiat/Day replaced William Esty Co. as Nissan's corporate ad agency after Nissan fired Esty amid a growing inventory of cars and a declining market share. Chiat/Day formerly was the national ad agency for Porsche Cars North America.

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Automotive News to open Nashville bureau

NASHVILLE, Tenn. — Automotive News will open a Nashville bureau this summer to report on activities in the fast-growing Mid-South region.

"This region has come to represent a cutting edge in automotive manufacturing and technology, and in our continuing drive to provide our readers what they need to know, we must be where the action is," said Automotive News publisher-editorial director Keith E. Crain in making the announcement Wednesday to the Tennessee Automotive Manufacturers Association.

"Just as Automotive News was first to open a Washington bureau to cover government regulation in the industry, first to open a California bureau to report on Japanese importers, first to cover the European importers from a New York bureau, and first to move overseas with full-time bureaus in Frankfurt and Tokyo, we will be the first to acknowledge this region's importance to the future of the industry," Crain added.

Crain pointed out that besides the Nissan plant in Smyrna, Tenn., and the General Motors Saturn facility under construction in Spring Hill, Tenn., other major facilities in the region include Honda plants in Marysville, Ohio; a Toyota facility under construction in Georgetown, Ky.; an Isuzu-Subaru joint venture in Indiana; and the Chrysler-Mitsubishi Diamond-Star joint venture in central Illinois. In addition, hundreds of automotive industry suppliers have opened or are building major facilities in the region.

"We welcome the location of the new Automotive News bureau in Nashville as a confirmation of Tennessee's leadership in the modern automobile industry," said Tennessee Gov. Ned McWherter. "In Tennessee today, we have one major automotive assembly plant already in operation and another major assembly plant under construction. In addition, there are almost 300 automotive suppliers in Tennessee making everything from windshields to rubber hoses to truck bodies.

"We welcome Automotive News as the first industry publication to cover major events in the auto industry's future from Tennessee."

Crain pointed out that within a few years, more than a million vehicles per year will come out of the Mid-South region.

"This clearly makes it a center of world automotive activity and one that must be treated as such," Crain said. "Many of the future ideas and relationships so critical to the industry's future competitiveness will be pioneered right here in the years to come and we want — we need — to be here to report on those events and happenings."

Nashville will become Automotive News' seventh location. Headquartered in Detroit, Automotive News also has bureaus in Washington, Los Angeles, New York, Frankfurt and Tokyo. Nashville personnel have not been named.

TRUCK INDUSTRY

February truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH	MO	14,835						14,835	7,419
	YR	26,593						26,593	12,361
DODGE	MO	48,598						48,598	41,793
	YR	88,390						88,390	74,670
JEEP	MO	19,548						19,548	14,532
	YR	36,103						36,103	31,023
TOYOTA	MO	15,616						15,616	20,437
	YR	34,200						34,200	38,840
NISSAN	MO	11,687						11,687	18,914
	YR	26,780						26,780	34,908
MAZDA	MO	8,105						8,105	8,558
	YR	16,424						16,424	16,918
ISUZU	MO	5,808						5,808	7,236
	YR	12,818						12,818	13,084
MITSUBISHI	MO	4,120						4,120	4,421
	YR	8,077						8,077	7,328
SUZUKI	MO	5,095						5,095	6,672
	YR	10,377						10,377	12,334
RANGE ROVER	MO	278						278	0
	YR	525						525	0
FORD	MO	118,545	985		757	2,723	975	123,965	111,853
	YR	220,577	1,566		1,492	5,038	1,830	230,463	195,894
FREIGHTLINER	MO						2,074	2,074	1,584
	YR						3,815	3,185	2,777
CHEVROLET	MO	116,920		12	805	831	21	118,589	91,570
	YR	208,410		19	1,522	1,456	72	211,479	158,374
GMC	MO	29,620		384	1,598	1,531	133	33,264	26,579
	YR	49,733		733	2,931	1,957	406	55,760	48,659
KENWORTH	MO					83	1,092	1,175	1,070
	YR					92	2,103	2,195	1,970
MACK	MO				140	186	1,168	1,494	1,598
	YR				292	388	2,234	2,914	2,970
MERCEDES	MO				70	140		210	306
	YR				124	273		397	601
NAVISTAR	MO		17	21	1,937	2,387	2,497	6,869	4,508
	YR		33	73	3,357	4,924	5,096	13,496	9,973
PETERBILT	MO					14	1,169	1,183	590
	YR					24	2,066	2,090	1,173
VOLVO	MO					73	1,068	1,141	921
	YR					180	1,784	1,803	1,667
HINO	MO			52	34	55		141	165
	YR			91	70	122		283	266
NISSAN DIESEL	MO			64	28	82		174	132
	YR			112	59	150		321	248
ISUZU TRUCK	MO	354	16	9	327	15		721	336
	YR	521	16	19	335	19		910	692
MITSUBISHI FUSO	MO	90		9	25	41		165	35
	YR	141		10	35	70		256	80
SCANIA	MO						21	21	7
	YR						28	28	30
IVECO TRUCKS	MO	61	30	20	6			112	0
	YR	124	50	30	31			235	0
WESTERN STAR	MO						140	140	0
	YR						325	325	0
OTHER DOMESTICS	MO						41	42	86
	YR				4		94	98	131
GRAND TOTAL	MO	399,278	1,028	556	5,728	8,141	10,416	425,149	371,345
	YR	739,773	1,665	1,090	10,232	14,651	19,832	787,233	666,636
1988 YR to DATE		656,421	0	897	8,271	14,930	16,186		

NOTE: Subaru sales of 2 units included in Class 3 Grand Total and also in 1988 monthly grand total. Sales of 4 Subarus included in year-to-date 1988 Class 3 total and year-to-date 1988 Grand Total. Sales of 476 Subarus included in 1987 Class 3 and 1987 Grand Total.
Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

Makers reach abroad

Suppliers also see export opportunities

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Many U.S. commercial truck manufacturers are gearing up to increase their export sales.

Navistar International feels the key to boosting exports is to beef up its overseas distribution system and become consistently competitive, year-in and year-out, in overseas markets.

It may use non-traditional means to achieve those ends, said Neil Springer, company chairman.

"We may create a synergy off another company (that has a) distribution system closely allied to our customer base. We may tandem their distribution base with ours," he said.

For competitive reasons, Springer declined to specify which markets Navistar is targeting.

Volvo GM Heavy Truck believes its biggest export opportunity is in Canada, though it is looking elsewhere as well.

Thage Berggren, company chairman, said his new joint-venture company has established an international sales department.

"The export market looks very promising because of favorable currency exchange rates and the broadness of the White/GMC product line," he said.

He added that there are "many more promising areas than Europe for the export of Class 8 trucks and you can be sure we're investigating them."

GMC is studying export opportunities created by its new line of 1990-model medium-duty trucks and its Volvo tie-in, said John Rock, general manager.

Meanwhile, Eaton has begun supplying Nissan Diesel with its Fuller nine-speed transmissions for use in the company's vehicles for the Japanese market.

Nissan Diesel began offering the Fuller Roadranger nine-speed in its P-CW series 6x4 heavy-duty trucks in February, according to Donald Alles, manager of marketing communications for Eaton's transmission division, Galesburg, Mich.

Nissan has used Eaton Fuller gearboxes since the early 1970s for trucks shipped out of Japan, but it has not offered any foreign-sourced powertrains in its domestic vehicles until now.

Finally, Grumman Olson Division of Grumman Corp., New York, shipped six truck bodies to Isuzu Motors for a walk-through van the latter may offer in Japan.

Phil Belgio, director of vehicle and marine programs for Grumman International, stressed that "we (Grumman and Isuzu) are both in a market-evaluation phase." Isuzu is testing potential Japanese demand for a 2 ½-ton walk-through van in the kind of body configuration that Grumman offers.

Belgio said this was an outgrowth of Isuzu's efforts to market a similar van in the United States.

When Isuzu first sighted the U.S. walk-through van market for its NPR chassis and approached Grumman to help adapt its chassis to Grumman's body, Grumman officials felt there might be a similar market for the vehicle in Japan.

Belgio hopes to find out within three to six months.

Grumman also has been discussing similar U.S. sales — with overseas export potential — with Iveco, which also wants to enter the walk-through van market.

Center to gather truck statistics

ANN ARBOR, Mich. — The University of Michigan Transportation Research Institute has established a new Center for National Truck Statistics to provide authoritative information on truck safety and travel on U.S. roads.

Linda S. Wison, the university's vice president for research, called it an area that has "suffered greatly from misinformation and incomplete analysis."

The university expects the center to be funded by private industry and government.

The center will conduct surveys of truck accidents and truck travel, publish truck accident and travel statistics, provide public access to survey data, and conduct research on factors associated with the risk of accidents involving large trucks.

Kenneth L. Campbell, director of the center, said accountability has been an issue.

"We must not only collect the needed data, but also make it available for analysis by others so that researchers can compare findings in an open area," he said.

The center is an outgrowth of a research program that has been supported by the university's Transportation Research Institute since 1980 through the leadership of the Motor Vehicle Manufacturers Association.

New survey methods were developed under that program for compiling accurate national statistics on all truck accidents and travel. The results of that approach allow statistical estimates of accident risk to be developed, officials said.

Senate approves truck-brake proposal

WASHINGTON — A bill approved by the Senate this month requires the Department of Transportation to report to Congress on methods to improve truck brake performance and to begin rulemaking on the results of the report by Sept. 30, 1989. Companion legislation has not been introduced in the House.

The Senate measure, the Truck and Bus Safety Act (S.861), was sponsored by Sen. John Danforth, R-Mo., and Sen. Brock Adams, D-Wash. Adams was secretary of transportation during the Carter administration.

Danforth said the measure encourages DOT to improve truck brake performance by examining the safety benefits of anti-lock brakes.

The bill also would require DOT to eliminate, within one year of enactment, exemptions from federal safety requirements for trucks operating within commercial zones.

The bill would require DOT to complete a rulemaking one year after enactment on the need for on-board devices that automatically record driver hours and speed.

DEALERS

FROM PAGE 3

dealerships in operation on Jan. 1, 1987.

On Jan. 1, there were 23,436 dealerships selling imports and 19,530 selling domestic makes. Because of dualing, the overall total was 24,938.

In fact, there were only 1,502 dealerships where a car buyer could not consider an imported car of some manufacture, the Automotive News dealer census showed.

One year earlier, there were 19,700 dealerships selling domestic makes and 17,553 selling imported makes. There were 7,603 stores without import makes.

The reason that there are so few domestic-only dealerships today is that all domestic divisions except Buick, Oldsmobile and Cadillac now handle captive imports. And many of the Buick, Oldsmobile and Cadillac outlets have either an independent import or are dualed with Chevrolet and/or Pontiac, giving them a captive.

Although the total number of retail outlets selling new cars declined, the remaining 24,938 dealerships held 72,191 franchises from 12 domestic and 39 import-car makes, for an average of 2.89 franchises per outlet.

One year earlier, on Jan. 1, 1987, there were 25,156 dealerships holding 61,216 franchises from 13 domestic and 35 import-car makes, for a per-outlet average of 2.43 franchises.

Ten years earlier, on Jan. 1, 1978, there were a total of 59,455 franchises and 28,656 dealerships for a per-outlet average of 2.07 franchises.

Thirty-nine years earlier, on Jan. 1, 1949, the Automotive News dealer census showed there were 49,173 dealerships in the United States — an all-time high — handling 56,150 franchises of 22 domestic makes, for a per-outlet average of 1.14 franchises.

All figures in the Automotive News dealer census indicate the net change in the dealership population, for both the individual corporations and car lines, and for the industry as a whole.

Although it is clear that the well-established trend toward multi-franchise dealer operations is increasing, another trend disguises the real extent of industry consolidation into fewer hands: The expansion of new networks that require showroom exclusivity — albeit in a mall or dealership strip owned by an existing, multi-franchise dealer. Such demands dilute the franchises-per-outlet figure.

On Jan. 1, there were 3,964 exclusive import dealerships, up 7.54 percent from the 3,686 exclusive import outlets one year earlier.

The list of completely exclusive franchises currently includes Acura, Mitsubishi and Hyundai and likely will be expanded to include Toyota Lexus and Nissan Infiniti when those premium brands are launched.

Last year, the number of dealerships handling domestic-car makes declined by 170.

The total was 19,530 on Jan. 1, 1988, down 0.86 percent from 19,700 one year earlier. The 1987 decline of 170 dealerships selling domestic makes compares with a loss of 246 retail domestic-car stores in 1986.

Chrysler Motors chalked up its fifth consecutive annual gain, even without the acquisition of American Motors. Its Chrysler-Dodge-Plymouth network showed an increase of 32 outlets for the year.

AMC brought 1,139 more domestic-car dealerships to Chrysler Motors (after deducting those that were already Chrysler-AMC duals), so the Chrysler Motors domestic-car outlet total rose by 1,171 for the year.

As a corollary, the 1,349 dealerships that formerly sat under the AMC-Renault sign ceased to exist in that form. The ones that remain are Chrysler Motors Eagle outlets.

Things were simpler at Ford Motor Co. and General Motors. Ford showed a decline of 24 car dealerships for the year, and GM was down 145.

Ford's loss was lighter than in 1986, when a net 57 stores bowed out. The decline in the total number of GM car dealerships was in the same general range as the 150 outlets it lost in 1986.

The number of Big 3 intercorporate duals dropped significantly in 1987. The reason: Chrysler-AMC stores are no longer intercorporate duals because they are all in the same family.

Conversely, since AMC now is part of Chrysler Motors, there are more duals among Big 3 makes. The former AMC-Ford and AMC-GM locations are now Big 3 duals.

Franchise totals rose for half of the domestic makes during 1987. There were gains of 42 for Chrysler, 46 for Plymouth and 51 for Dodge.

At Ford Motor Co., Lincoln was up 20, Mercury picked up seven, but Ford Division was down 36.

Pontiac's franchise total was unchanged for the year, but the other GM car lines were down: Cadillac, 5; Buick, 15; Oldsmobile 20; and Chevrolet, 65.

Chevrolet had 4,910 franchises on Jan. 1, the highest total in the U.S. auto industry for either a domestic or an imported make. Ford was next with 4,580.

On the import side of the ledger, the number of foreign car makes on the U.S. market, including the captive imports of the domestic makers, increased from 35 to 39 during the year.

Daihatsu was introduced; Ford joined the import ranks with the captive Festiva; and Pontiac took on the captive LeMans. Eagle dealers now sell Medallion. All Mercury dealers now handle Tracer; previously, only about one-fourth of the Mercury outlets had the captive Merkur.

Meanwhile, British specialty maker TVR was withdrawn.

The addition of the full Pontiac, Ford and Mercury dealer groups and the return of Renault to the import ranks pumped the total number of import franchises up to 37,132 from 24,918 on Jan. 1, 1987.

The country of origin ranking also shifted from year to year. Japan, with 14 makes this year compared with 13 makes one year ago, still had the lion's share of franchises, although its 19,865 franchises on Jan. 1 accounted for 53.50 percent of total import franchises, compared with the 77.46 percent share of the total its 19,301 franchises held a year earlier.

The reason was simple: The biggest gain came from Korean franchises — from 161 to 7,779 — because Ford and Pontiac added captive makes from that country. France went from 272 to 1,537 because AMC, and later Chrysler, started importing the Renault-built Medallion. And a whole new country — Mexico — had to be added because of Mercury's captive Tracer.

West Germany and Italy posted slight declines in franchise totals, while the other countries all showed increases.

In addition to the dealerships selling cars, there also were a number of dealerships selling just trucks.

Ford has 109 that carry only Ford heavy-duty trucks, while GM has 530 dealers that handle GMC trucks but no GM cars.

Chrysler Motors has three dealers that sell only Dodge trucks and 127 that handle Jeeps and Renaults but no GM cars.

Among the imports, Range Rover had 60 dealers on Jan. 1. Suzuki had 170, while Isuzu had 161 truck-only dealers, Mitsubishi had 46 truck-only dealers and Saab reported that it had 20 Scania truck dealers without Saab car franchises.

U.S.-CAR RETAIL OUTLETS 1947 to 1988

Jan.	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1947	45,580	
Jan. 1, 1948	46,089	+1.12
Jan. 1, 1949	49,173	+6.69
Jan. 1, 1950	46,821	−4.78
Jan. 1, 1951	47,543	+1.54
Jan. 1, 1952	46,014	−3.22
Jan. 1, 1953	45,191	−1.79
Jan. 1, 1954	41,910	−7.26
Jan. 1, 1955	40,374	−3.66
Jan. 1, 1956	41,018	+1.60
Jan. 1, 1957	37,982	−7.41
Jan. 1, 1958	37,186	−2.09
Jan. 1, 1959	35,077	−5.68
Jan. 1, 1960	33,658	−4.05
Jan. 1, 1961	32,483	−3.49
Jan. 1, 1962	31,391	−3.36
Jan. 1, 1963	30,859	−1.69
Jan. 1, 1964	30,827	−0.09
Jan. 1, 1965	30,681	−0.47
Jan. 1, 1966	30,276	−1.32
Jan. 1, 1967	28,422	−6.12
Jan. 1, 1968	27,784	−2.24
Jan. 1, 1969	27,486	−1.07
Jan. 1, 1970	27,071	−1.51
Jan. 1, 1971	26,129	−3.48
Jan. 1, 1972	25,821	−1.18
Jan. 1, 1973	25,441	−0.79
Jan. 1, 1974	25,249	−0.76
Jan. 1, 1975	24,883	−1.45
Jan. 1, 1976	24,455	−2.11
Jan. 1, 1977	24,269	−0.76
Jan. 1, 1978	24,147	−0.50
Jan. 1, 19[illegible]	24,031	−0.48
Jan. 1, 19[illegible]80	23,379	−2.79
Jan. 1, 1981	21,773	−6.87
Jan. 1, 1982	20,834	−4.31
Jan. 1, 1983*	19,999	−4.00
Jan. 1, 1984	20,076	+0.44
Jan. 1, 1985	20,192	+0.58
Jan. 1, 1986	19,946	−1.22
Jan. 1, 1987	19,700	−1.23
Jan. 1, 1988	19,530	−0.86

*Figures for Jan. 1, 1983 through Jan. 1, 1988 include Renault.

RETAIL OUTLETS, U.S. MAKES OF PASSENGER CARS 1988 vs. 1987

	Jan. 1, 1988 Exclusive (Single Corp.)	Jan. 1, 1988 Multiple (Inter-Corp.)	Jan. 1, 1988 Total Franchises	Jan. 1, 1988 Bid Dealers	Jan. 1, 1987 Exclusive (Single Corp.)	Jan. 1, 1987 Multiple (Inter-Corp.)	Jan. 1, 1987 Total Franchises	Jan. 1, 1987 Bid Dealers
AMERICAN MOTORS/RENAULT		0	0	0	191	2,436	2,627	1,349
AMC		0	0		51	1,219	1,270	
Renault	0	0	0		40	1,217	1,257	
CHRYSLER MOTORS	906	9,593	10,499	8,194	959	8,098	9,057	4,022
Chrysler	0	3,106	3,106		0	3,064	3,064	
Dodge	868	2,113	3,011		950	2,010	2,960	
Eagle	0	1,303	1,303		0	0	0	
Plymouth	8	3,071	3,079		9	3,024	3,033	
FORD MOTOR CO.	2,668	6,287	8,975	5,436	2,719	6,285	9,004	5,486
Ford	2,877	1,693	4,580		2,788	1,908	4,816	
Lincoln	0	1,657	1,657		0	1,617	1,617	
Mercury	11	2,747	2,758		11	2,740	2,751	
GENERAL MOTORS	4,835	10,730	15,565	9,636	4,970	10,720	15,690	9,666
Buick	680	2,255	2,935		780	2,230	2,950	
Cadillac	250	1,360	1,610		250	1,365	1,615	
Chevrolet	2,785	2,125	4,910		2,665	2,110	4,775	
Oldsmobile	595	2,560	3,155		625	2,550	3,175	
Pontiac	525	2,450	2,975		550	2,465	3,015	
TOTALS	8,429	26,630	35,059	20,185	8,779	27,519	36,298	20,512
Minus intercorporate duals				695				812
NET DEALERS				19,530				19,700

NEW-CAR DEALERSHIPS IN UNITED STATES

	Jan. 1, 1988		Jan. 1, 1987	
Domestic cars only:		1,502		7,603
Imported cars only:				
Exclusives	3,964		3,686	
Duals	1,444		1,488	
		5,408		5,174
Domestic-import duals:				
Domestics with captive imports	16,899		3,736	
Domestics with other imports	1,148		2,863	
		18,029		12,401
Total New-Car Dealers in United States		24,938		25,156

NOTES: Captive imports are: Chevrolet Sprint and Spectrum; Chrysler Conquest; Dodge Colt; Eagle Medallion; Plymouth Colt; Ford Festiva; Mercury Tracer; Merkur; and Pontiac LeMans.

IMPORT OUTLETS 1957 to 1988

Jan.	
Jan. 1, 1957	2,930
Jan. 1, 1958	11,409
Jan. 1, 1959	14,031
Jan. 1, 1960	14,674
Jan. 1, 1961	13,135
Jan. 1, 1962	11,864
Jan. 1, 1963	7,136
Jan. 1, 1964	5,248
Jan. 1, 1965	5,858
Jan. 1, 1966	6,013
Jan. 1, 1967	6,598
Jan. 1, 1968	7,158
Jan. 1, 1969	7,269
Jan. 1, 1970	8,311
Jan. 1, 1971	9,860
Jan. 1, 1972	12,375
Jan. 1, 1973	15,332
Jan. 1, 1974	15,248
Jan. 1, 1975	15,468
Jan. 1, 1976	16,411
Jan. 1, 1977	16,387
Jan. 1, 1978	17,374
Jan. 1, 1979	17,760
Jan. 1, 1980	17,114
Jan. 1, 1981	16,815
Jan. 1, 1982	16,661
Jan. 1, 1983	12,116
Jan. 1, 1984	13,807
Jan. 1, 1985	15,177
Jan. 1, 1986	17,118
Jan. 1, 1987	17,553
Jan. 1, 1988	23,436

U.S. NEW-CAR OUTLETS Domestic and Import

Jan.		
Jan. 1, 1958	39,108	−0.1%
Jan. 1, 1959	37,468	−4.2%
Jan. 1, 1960	36,538	−2.5%
Jan. 1, 1961	34,803	−4.7%
Jan. 1, 1962	33,461	−3.9%
Jan. 1, 1963	33,308	−0.4%
Jan. 1, 1964	33,291	−0.1%
Jan. 1, 1965	33,360	+0.2%
Jan. 1, 1966	33,114	−0.7%
Jan. 1, 1967	31,484	−4.9%
Jan. 1, 1968	31,101	−1.2%
Jan. 1, 1969	31,076	−0.1%
Jan. 1, 1970	30,542	−1.7%
Jan. 1, 1971	30,114	−1.4%
Jan. 1, 1972	30,150	+0.1%
Jan. 1, 1973	30,064	−0.3%
Jan. 1, 1974	29,868	−0.7%
Jan. 1, 1975	29,351	−1.7%
Jan. 1, 1976	29,866	+1.8%
Jan. 1, 1977	29,744	−0.4%
Jan. 1, 1978	29,908	+0.6%
Jan. 1, 1979	29,874	−0.1%
Jan. 1, 1980	29,481	−1.3%
Jan. 1, 1981	28,588	−3.0%
Jan. 1, 1982	28,495	−0.3%
Jan. 1, 1983	28,724	+0.8%
Jan. 1, 1984	28,883	+0.6%
Jan. 1, 1985	29,369	+1.7%
Jan. 1, 1986	29,064	−1.0%
Jan. 1, 1987	28,798	−0.9%
Jan. 1, 1988	28,966	+0.6%

IMPORT FRANCHISES

	Jan. 1, 1988	Jan. 1, 1987
JAPAN	10,089	19,301
Chevrolet Sprint		
Spectrum	4,910	4,975
Chrysler Conquest	3,106	3,064
Plymouth Colt	3,079	3,033
Dodge Colt	3,011	2,960
Eagle	1,106	1,106
Toyota	1,023	1,082
Honda	813	826
Nissan	806	801
Mazda	794	771
Isuzu	517	538
Acura	213	156
Mitsubishi	149	116
Daihatsu	137	1
KOREA	7,779	161
Pontiac LeMans	2,975	1
Ford Festiva	4,580	—
Hyundai	224	160
WEST GERMANY	3,187	3,201
Volkswagen U.S.	872	876
Merkur	747	744
Mercedes-Benz	423	432
BMW	419	428
Audi	409	412
Porsche	317	309
MEXICO	2,759	—
Mercury Tracer	2,759	—
FRANCE	1,537	272
Eagle Medallion	1,305	—
Peugeot	232	272
SWEDEN	768	778
Volvo	418	414
Saab	350	364
ITALY	517	538
Bertone	158	158
Alfa Romeo	141	136
Maserati	65	73
Ferrari	42	42
Lamborghini	19	19
BRITAIN	484	493
Jaguar	178	185
Rover	149	156
Lotus	67	66
Aston Martin	40	40
Bentley	30	30
Rolls-Royce	20	16
SPAIN	327	334
Yugo	327	334
CZECHOSLOVAKIA	13	13
Skoda	13	13
TOTAL	25,865	25,301

TV ad spending by makers, dealers rises 20% for 1987

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

The nation's automakers and their dealers spent $2.4 billion on television advertising during the 1987 calendar year, up 20 percent from $2 billion in 1986.

According to the Television Bureau of Advertising, spot television advertisements — market-by-market advertising — represented the largest share of automotive television spending. Factories and dealers spent $1.1 billion on spot television advertising in 1987, up 20.09 percent from $916 million in 1986.

William G. Moll, president of the Television Bureau of Advertising, attributed the increase in spot advertising to the use of target marketing and regional marketing practices by automakers and dealers.

Advertising expenditures by the automakers for network television totaled $933 million in 1987, up 13.09 from the $825 million spent in 1986. Moll called the growth in network spots "solid," saying automakers are using network television buys for "mass reach." On the other hand, spot television is being used by dealers and dealer groups for image enhancement and awareness.

Individual dealers spent $371.4 million for television advertising in 1987, up 9.56 percent from $339 million in 1986.

General Motors was the largest new-car and truck advertiser in 1987. GM and its dealer associations spent $500 million on television ads in 1987, up 24.60 percent from $401.3 million spent on those ads in 1986.

Those figures do not include advertising for GM's non-carmaking subsidiaries such as General Motors Acceptance Corp.

More than half of GM's television spending was devoted to spot television ads. GM spent $261.4 million on spot ads, up 32.69 percent from $197 million in 1986. Network television accounted for 47.72 percent of GM's spending. GM spent $238.4 million on network television ads in 1987, up 16.69 percent from $204.3 million in 1986.

Chevrolet received the largest portion of the corporation's television expenditures and had the largest car advertising budget of any single nameplate in 1987.

Chevrolet and its dealers spent $117 million on television advertising for its cars in 1987, up 25.81 percent over the $93 million spent by the division in 1986. Chevrolet introduced its Corsica and Beretta models in early 1987 and ran a heavy schedule of television ads.

Chevrolet spent $74 million on television ads for its trucks in 1987, up 20.92 percent from $61.2 million spent on those ads in 1986. The 1987 truck expenditure was the second highest for the industry. Chevrolet introduced its new full-sized C/K pickup truck in the spring of 1987.

Although Chevrolet and its dealers outspent other GM divisions on television ads, they did not top total television expenditures for Ford Division. Ford and its dealers spent $193 million on car and truck television advertising in

see TV SPENDING, page 41

AUTOMOBILES — LEADING TV ADVERTISERS BY NAMEPLATE

	1986			1987			
	Network TV	Spot TV	Total TV	Network TV	Spot TV	Total TV	% Change
Chevrolet	$54,172,500	$38,676,700	[illegible]	[illegible]	[illegible]	$116,572,800	+ 25.1
Ford	75,433,400	42,197,600	117,631,000	82,696,300	31,942,100	114,638,900	– 2.5
Pontiac	31,413,600	41,144,400	72,558,200	44,256,400	53,087,700	97,344,100	+ 34.2
Toyota	19,818,200	56,595,300	76,413,500	31,246,900	64,857,400	96,104,000	+ 25.8
Nissan	26,273,700	39,295,300	65,569,000	23,001,900	67,109,700	90,111,300	+ 37.2
Honda	30,797,300	25,939,000	56,717,300	36,577,900	40,966,400	79,544,300	+ 40.2
Hyundai	4,077,300	39,519,600	43,280,900	13,266,200	65,500,600	78,714,800	+ 80.8
Mazda	21,479,500	16,313,400	39,312,900	40,633,200	33,053,500	73,682,000	+ 82.4
Mitsubishi	26,222,600	29,705,700	55,928,300	21,046,750	52,067,200	73,113,900	+ 10.9
Subaru	14,072,000	25,687,200	39,759,200	11,603,150	34,672,700	46,275,800	+ 66.7
Buick	23,042,400	24,720,300	47,762,700	37,698,700	27,747,800	65,447,500	+ 37.0
Volkswagen	33,612,400	19,093,600	52,906,000	32,842,000	22,212,300	55,054,300	+ 4.1
Mercury	31,433,600	15,797,900	47,231,500	38,305,400	16,222,600	54,527,400	+ 15.4
Dodge	22,839,800	20,257,800	42,706,500	28,241,100	20,400,400	48,781,500	+ 14.2
BMW	17,589,600	16,560,600	34,170,200	27,474,900	18,023,800	45,498,700	+ 33.2
Cadillac	14,084,700	12,985,100	27,069,800	17,082,700	18,245,600	35,328,300	+ 30.5
Isuzu	4,903,200	8,867,200	13,770,400	23,818,500	10,660,000	34,478,500	+150.3
Chrysler	16,078,300	4,912,300	20,990,600	17,787,300	13,[illegible]	31,586,800	+ 50.5
Plymouth	—	14,219,900	14,219,900	1,476,800	27,144,700	28,621,500	+101.3

LEADING TV ADVERTISERS — CAR, TRUCK & VAN MAKERS AND DEALER ASSOCIATIONS

	1986			1987			
	Network TV	Spot TV	Total TV	Network TV	Spot TV	Total TV	% Change
General Motors	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+ 24.2
Ford Motor Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	– 1.1
Chrysler Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+ 10.6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+ 21.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+ 8.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+ 9.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	+ 6

LEADING AUTO DEALER TELEVISION ADVERTISERS

	1988	1987	Percent Change
Cal Worthington, Los Angeles	4,020,000	4,586,600	+ 14.1
Wilson Ford, Los Angeles	2,508,200	3,423,200	+ 36.5
Foothill Nissan, Los Angeles	1,066,200	2,778,500	+160.6
Frontier Ford, Dallas	2,874,900	2,541,600	- 11.6
Pete Ellis Motors, Los Angeles	1,550,000	2,517,800	+ 62.4
Cal Worthington, Seattle	2,538,800	2,433,600	- 4.1
Rosenthal Autos, Washington	798,900	2,319,700	+190.4
Cal Worthington, Sacramento	2,515,600	1,979,000	- 21.4
Senoya Suburu, Phoenix	1,089,400	1,803,500	+ 65.5
Piemonte Ford, Chicago	904,100	1,559,300	+ 72.5
Calozzi-Ettleson Chevrolet, Chicago	1,635,200	1,502,600	- 8.1
Ocean Cadillac, Miami	1,128,000	1,308,100	+ 16.0
Nationwide Motor Sales, Baltimore	189,400	1,299,900	+586.3
Long-Lewis Ford, Birmingham	1,560,500	1,239,700	- 21.6
Jerry's Chevrolet, Baltimore	1,018,300	1,225,200	+ 20.3
Kott Ford, Los Angeles	265,800	1,215,600	+357.3
Tousley Ford Suburu, Minneapolis	935,020	1,162,300	+ 24.3
Potamkin Enterprises, Miami	735,000	1,117,900	+ 52.1
Ken Johns Motors, Albuquerque	582,200	1,107,700	+ 90.3
Ed Mullinax Ford, Cleveland	1,012,000	1,060,600	+ 4.8
CATEGORY TOTAL	$339,001,500	$371,410,700	+ 9.6

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

TV SPENDING

FROM PAGE 40

1987 compared to $191 million for Chevrolet and its dealers.

Ford Motor Co.'s car-advertising expenditure for television was the second highest of all automakers in 1987. Ford Motor Co. and its Ford, Lincoln-Mercury and Merkur dealers spent $305 million on television in 1987, up 1.3 percent from $301.1 million in 1986.

Ford Division and its dealer advertising groups spent $115 million to advertise their cars on television in 1987, down 2.54 percent from $118 million spent in 1986.

Last year, Ford was the top spender among all truckmakers for television advertising. Ford spent $78 million to advertise its trucks on television, up 11.43 percent from the $70 million spent in 1986. Ford introduced a reskinned full-sized pickup truck in the 1987 model year.

Toyota Motor Sales and its dealers spent more money on television in 1987 than any other importer. Toyota spent $164.7 million in 1987, up 2.74 percent over the $160.3 million spent in 1986.

Toyota and its dealers spent $96.1 million on television ads advertising its cars, up 25.79 percent from $76.4 million spent on those commercials in 1986. The company and its dealers also spent $67.4 million on television ads for trucks.

In the individual dealer category, megadealer Cal Worthington's Los Angeles dealership was the largest purchaser of television advertising last year.

Saturn launches recruiting drive

TROY, Mich. — General Motors' Saturn Corp. has begun nationwide recruiting of the 3,000 workers needed to staff its new facility in Spring Hill, Tenn.

Both active and laid-off GM-UAW workers will be considered for Saturn jobs.

UAW-GM Human Resource Centers are scheduling visitation times for local employees. The first stop was in Buffalo, N.Y., to meet with employees of western New York state plants. The next stops were the Buick-Oldsmobile-Cadillac plant in Willow Springs, Ill.; the Electro-Motive plant at LaGrange, Ill.; and the Hydra-matic plant at Three Rivers, Mich. Parts or all of those three plants are being closed.

The Spring Hill complex is scheduled to open in mid-1990.

AUCTION DATES

General Motors

March 22 — Florida Auto Auction of Orlando, Ocoee, Fla.

March 23 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

March 24 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville; and Southwest Auto Auction, Phoenix, Ariz.

Ford Motor Co.

March 22 — South Seattle Auto Auction, Kent, Wash.

March 23 — Columbus Fair Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Southern California Auto Auction, Fontana, Calif.; Newburgh Auto Auction Inc., Newburgh, N.Y.; and Salt Lake Auto Auction, Salt Lake City

March 24 — Baltimore-Washington Auto Exchange, Baltimore; Greater Chicago Auto Auction, Chicago; and St. Louis Auto Auction, Bridgeton, Mo.

Chrysler Motors

March 22 — South Seattle Auto Auction, Kent, Wash.; Florida Auto Auction of Orlando, Ocoee, Fla.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; Riverside Auto Auction, Riverside, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

March 23 — Nashville Auto Auction, Nashville, Tenn.; Southern Auto Auction, Warehouse Point, Conn.; and Columbus Fair Auto Auction, Obetz, Ohio

Used Car Sales
Auction Averages

March 1988	$8,238
Month ago	$5,178
Year ago	$5,794

Model Breakdown
Auction Averages

	MARCH 1988	FEB 1988	JAN 1987
1988	$11,385	$10,741	$8,839
1987	$8,482	$8,443	$8,435
1986	$6,806	$6,732	$6,516
1985	$5,731	$5,731	$5,501
1984	$4,344	$4,363	$4,349
1983	$3,704	$3,689	$3,362
1982	$2,516	$2,454	$2,303
1981	$1,864	$1,817	$1,926
Overall Average	$8,238	$5,309	$4,841

The Dealer's choice
CONQUEST High-Top Van
$4495.00 FREIGHT FREE 700 MILES!*
*This van is complete and ready for retail.

Village Ford, Dearborn, Michigan
"I didn't think the High-Top would sell in Detroit, but Conquest proved me wrong!"
Chuck Brainard

Behlmann GMC, St. Louis, Missouri
"Conquest is the #3 pool company in 1988, and a top-selling van for me!"
Ken Behlmann

Ricart Ford, Columbus, Ohio
"Conquest vans sell, and warranties are paid promptly. They're nice people to work with."
Fred Ricart

Jay Kline Chevrolet, Minneapolis, Minnesota
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SALES

Sales rise 16.5% for U.S. cars

Early-March total climbs to 211,772

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Sales of new cars built in the United States climbed 16.47 percent from the year-earlier total in the first 10 days of March.

Sales totaled 211,772 cars compared with 181,820 in 1987.

The daily selling rate in early March this year averaged 23,530 units compared with 22,728 in 1987. There were nine selling days in the sales span this year compared with eight last year.

Gains were widespread in the most recent sales period. Only General Motors, Nissan and Volkswagen reported declines.

Almost all the domestic car builders are offering incentives in one form or another this year as they were in March of last year.

Retail incentives include the now-customary discount financing and money-back deals and, most recently, three months of delayed car-purchase payments, an offer being made in some states by General Motors Acceptance Corp.

Dealer incentives also are in play as sales-boosting devices by several manufacturers, including Toyota, which was not using retail incentives in the period.

Toyota reported the largest percentage sales gain in the 10 days — an increase of 122 percent. Sales of U.S.-built Toyotas rose to 1,110 units from 500.

Honda dealers delivered 93.35 percent more cars this year than last in early March, and Ford Motor Co. dealers delivered 36.61 percent more.

Chrysler Motors dealers turned over the keys to buyers of 33.10 percent more new cars in the 1988 period than they did in the corresponding 1987 sales span.

Mazda reported 10-day sales of 560 cars built in this country. Mazda began building cars in Flat Rock, Mich., in September.

Nissan had a retail sales decline of 9.64 percent for domestic cars. VW's decline amounted to 8.48 percent and GM's to 2.17 percent.

There is a new entry from Ford this month. Dealers are selling Probe models as they receive them, although the official introduction date is May 12. Sales totaled 580 for March 1-10.

DOMESTIC SALES

	March 1-10, 1988	March 1-10, 1987
Eagle	1,097	760
Chrysler	10,892	6,310
Plymouth	9,180	9,127
Dodge	13,498	9,849
Chrysler Motors	34,667	26,046
Ford	47,730	37,712
Mercury	15,902	10,284
Lincoln	5,227	2,411
Ford Motor Co.	68,859	50,407
Buick	13,458	16,200
Cadillac	7,006	5,866
Chevrolet	40,749	40,050
Oldsmobile	15,405	18,881
Pontiac	18,754	18,484
General Motors	95,372	97,487
Volkswagen	777	849
Honda	8,496	4,394
Nissan	1,931	2,137
Toyota	1,110	500
Mazda	560	—
U.S. Industry Total	211,772	181,820

CANADIAN CAR AND TRUCK SALES

	Feb. 1988	Feb. 1987	2 Mos., 1988	2 Mos., 1987
Domestic Cars				
GM	24,690	25,779	44,983	43,488
Ford	14,231	13,734	26,259	25,534
Chrysler	10,337	9,640	20,094	18,094
Domestic Car Total	49,258	49,153	91,336	87,116
Import Cars				
Honda*	4,423	4,687	8,447	7,981
Toyota	4,357	3,779	8,580	6,391
Volkswagen	2,593	1,946	4,922	3,457
Mazda	2,433	1,520	3,912	2,680
Hyundai	2,011	3,511	4,206	7,809
Nissan	1,621	2,413	3,102	4,379
Suzuki	516	153	865	225
Subaru	486	560	945	1,010
Volvo*	483	477	881	1,042
BMW	303	251	655	478
Mercedes-Benz	282	300	493	617
Jaguar	255	179	415	349
Saab	95	100	188	238
Lada	78	61	157	120
Skoda	46	54	94	92
Import Car Total	19,919	19,961	37,872	37,666
TOTAL — ALL CARS	69,177	69,134	129,177	124,174
Domestic Trucks (including vans)				
GM	11,283	11,554	21,253	20,694
Ford	10,042	9,769	19,256	18,457
Chrysler	7,505	4,221	14,194	7,997
Domestic Truck Total	28,810	25,544	54,703	47,148
Import Trucks (including vans)				
Toyota	1,001	796	1,936	1,230
Nissan	982	1,562	1,855	2,712
Mazda	678	803	1,103	1,331
Suzuki	441	190	757	352
Other Import	101	83	141	154
Import Truck Total	3,203	3,434	5,792	5,779
TOTAL — ALL TRUCKS	32,013	28,978	60,495	52,927

*—Honda and Volvo sales include cars built in Canada.

Canadian car sales match last year's total in February

By Bill Vance
SPECIAL CORRESPONDENT

TORONTO — Car sales in Canada in February almost matched those of the year-ago month. Domestic cars were up 105 units and imports were down 62. The combined totals were 69,177 this year and 69,134 in 1987.

Two-month sales were 3,000 ahead of last year's total.

Ford Motor Co. and Chrysler Motors posted year-to-year increases in February, just as they did in January. General Motors was off 4.2 percent after a 14.5 percent rise in January.

On the import side, Toyota was up 15.3 percent over a year ago but it was not enough to take first place for February. Honda, aided by its new Acura Division, edged ahead even though its sales slipped 5.6 percent from a strong February in 1987. Volkswagen held on to third place with a solid 33.2 percent gain.

The greatest percentage gain in sales was shown by Suzuki with a whopping 237.3 percent increase over a year go. It climbed from 12th to seventh place.

As was the case the previous month, the big loser in February was Hyundai, which suffered a 42.7 percent drop in sales compared with February last year. It followed a 48.9 percent fall in January.

Truck sales, domestic and import, totaled 32,013 in February, up 10.5 percent from 28,978 last year.

Chrysler was the big story in trucks with sales of 7,505, a 77.8 percent increase over last year. The Dodge Caravan and Plymouth Voyager minivans paced the surge. They are now in their fifth model year and are still back-ordered.

Chrysler Canada said February set an all-time monthly record for truck sales and was the 12th consecutive month of record truck sales.

Other domestic truck sales held up well. Among the imports, Suzuki was again the big winner with sales of its Samurai 4x4 up 132.1 percent. Nissan slipped the most, with a dip of 37.1 percent from February 1987.

IMPORT SALES BY MODEL

	Feb. 1988	Feb. 1987	2 Mos., 1988	2 Mos., 1987
ACURA	8,988	7,056	18,025	12,723
Integra	3,779	4,428	7,991	7,961
Legend	5,209	2,628	10,134	4,762
ALFA ROMEO	522	587	783	1,096
GTV-6	0	0	3	0
Milano	322	0	436	0
Spider	200	0	325	0
AUDI	1,992	1,972	3,431	4,044
4000S	38	369	78	720
4000CS Quattro	19	161	39	368
5000S	364	969	965	2,028
5000CS Turbo	88	170	177	345
5000CS Turbo Quattro	95	221	334	406
80	997	0	1,067	0
90	634	0	962	0
Coupe GT	37	82	89	179
BMW	5,769	6,580	10,359	11,573
316i	6	3	6	4
524 TD	1	7	1	12
325	3,281	4,797	5,992	8,267
528e	797	790	1,341	1,576
535i/535iS	426	512	747	888
6-Series	115	151	178	283
7-Series	914	285	1,896	496
M3	140	0	269	0
M5	33	0	58	1
M6	50	40	71	40
CHEVROLET	11,300	8,815	21,007	16,743
Spectrum	6,457	5,205	12,023	11,261
Sprint	4,813	3,610	8,984	7,482
CHRYSLER/MITSUBISHI	11,156	9,690	18,455	16,393
Colt	8,284	5,819	13,757	11,838
Conquest	893	1,973	1,442	1,721
Vista	1,979	2,798	3,256	4,834
DAIHATSU	760	0	1,783	0
EAGLE/RENAULT	2,244	0	4,899	0
Medallion	2,244	0	4,899	0
FORD Festiva	6,080	0	11,166	0
HONDA	18,812	21,797	41,273	42,270
Civic/CRX	10,348	8,728	20,960	18,482
Accord	3,299	7,228	10,421	13,933
Prelude	5,173	5,841	9,892	9,884
HYUNDAI	22,536	18,536	44,960	36,882
ISUZU	1,448	1,622	3,009	3,572
I-Mark	841	1,124	1,878	2,139
Impulse	607	498	1,124	1,433
JAGUAR	1,400	1,468	2,368	2,523
XJ6	1,048	1,063	1,953	1,882
XJS	352	405	615	641
MASERATI	58	65	145	125
MAZDA	16,413	10,949	32,409	21,092
323	7,362	4,643	15,018	8,015
626	5,272	3,957	10,107	8,415
MX-6	1,360	0	2,863	0
929	1,972	0	3,756	0
RX-7	2,447	2,149	4,665	4,662
MERCEDES-BENZ	5,860	6,068	11,669	14,174
190	1,774	1,772	3,134	3,434
260E	113	417	267	888
300	1,635	2,156	3,264	5,023
300SDL Turbo	4	68	67	1,113
300SEL	887	0	1,119	0
420SEL	783	1,202	1,944	2,198
560SEL	420	517	844	1,053
560SL	826	1,050	1,540	1,884
560SEC	130	161	291	279
Tourist	28	46	44	84
MERKUR	774	486	1,583	896
XR4Ti	471	486	968	896
MITSUBISHI	5,203	5,314	10,483	7,640
Starion	251	613	446	947
Cordia	439	452	884	632
Tredia	111	469	203	863
Mirage	899	1,596	1,893	2,324
Galant	837	1,504	1,747	2,214
Precis	2,062	0	4,349	0
Van/Wagon	580	680	961	960
NISSAN	24,826	41,661	52,627	77,626
Sentra	10,882	13,022	21,402	23,681
Pulsar	3,252	6,039	6,304	11,508
Stanza	3,140	6,306	8,000	11,648
Maxima	4,490	7,991	10,177	15,218
200SX	1,062	3,510	2,445	6,743
300ZX	1,727	4,457	3,851	8,261
Hawaii	273	336	448	570
PEUGEOT	331	632	684	1,568
PONTIAC LeMans	3,574	0	7,153	0
PORSCHE	1,417	1,815	2,554	3,468
924S	166	178	261	305
944	361	420	654	838
944S	90	241	100	457
944 Turbo	208	221	328	417
911 Coupe	289	323	505	617
911 Turbo	90	87	181	153
911 Cabriolet	132	183	253	332
928S	134	162	254	332
SAAB	3,076	3,295	5,795	6,844
900	535	633	1,080	1,418
900S	797	985	1,512	2,108
900 Turbo	666	610	1,261	1,282
9000S	283	321	573	321
9000 Turbo	752	681	1,341	1,699
Tourist	11	17	48	66
STERLING	1,166	1,043	2,117	1,043
SUBARU	12,500	12,347	22,547	21,061
Hatchback	518	610	1,151	1,327
3-Door	570	999	1,046	1,752
4-Door Sedan	2,337	3,038	3,717	5,062
XT	1,020	1,700	1,848	2,688
Station Wagon	5,365	5,144	9,518	9,050
Justy	2,790	856	5,267	1,170
TOYOTA	42,187	34,713	84,316	64,018
Corolla	11,143	6,437	22,249	11,592
Tercel	6,423	5,602	12,652	9,971
Celica	4,499	5,426	8,924	9,884
Supra	1,751	2,321	3,278	4,255
Camry	13,535	8,887	28,547	16,823
Cressida	1,059	1,689	1,977	3,373
Land Cruiser	597	261	1,149	548
Van	577	1,157	1,078	2,130
4Runner/SR 5	1,353	116	2,852	216
MR2	853	1,296	1,814	2,342
Hawaii	0	325	0	650
VOLKSWAGEN	12,784	7,254	23,854	12,511
Cabriolet	1,127	975	1,631	1,653
Jetta	6,127	3,948	10,123	7,191
Vanagon	570	704	1,079	1,321
Quantum	250	464	512	882
Carocco	314	564	570	1,022
Fox	4,796	598	9,731	1,322
VOLVO	7,101	9,043	15,830	21,652
240 Series	2,873	4,507	6,583	10,670
740 Series	3,380	3,491	7,302	9,111
760 Series	747	431	1,666	1,350
780	100	0	200	0
Tourist	97	114	84	181
YUGO	2,744	5,089	3,333	3,272
IMPORT TOTAL	238,312	218,082	464,673	414,132

PRODUCTION

Car output up 5%, but trails 1987

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers planned to build 144,416 cars last week, 5.77 percent more than the prior week's 136,534 but 15.62 percent less than the year-ago week's 171,149.

So far this year, 1,406,731 units have been assembled, 23.72 percent below the 1,844,187 completed last year at this point.

Companies split last week's scheduled output as follows: General Motors, 46.90 percent; Ford Motor Co., 25.40 percent; Chrysler Motors, 15.75 percent; Honda of America Manufacturing Inc., 5.60 percent; New United Motor Manufacturing Inc., 2.25 percent; Nissan Motor Manufacturing Co. U.S.A., 1.45 percent; Volkswagen of America, 1.38 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 1.27 percent.

Truck output totaled 84,971 units last week, a 2.81 percent dip from the previous week's 87,429. However, output rose 5.17 percent from the year-ago week's 80,185.

Year-to-date, 926,594 trucks have been built, 7.65 percent more than the 860,735 assembled last year at this point.

The second shift at GM's Van Nuys, Calif., plant resumed last week. The shift had been dropped Feb. 8.

The Pontiac Fiero plant in Pontiac, Mich., resumes output today. The plant had been idle for inventory adjustment.

GM slated overtime last Saturday at three plants: Detroit-Hamtramck; Baltimore (truck); and Pontiac, Mich. (truck).

Overtime also was scheduled last Saturday at Ford's Wixom, Mich., and Kansas City, Mo., plants.

All Ford car and trucks plants except the Edison, N.J., facility are slated for daily overtime this week.

Daily overtime is scheduled this week at Chrysler's St. Louis No. 2 plant.

Canadian cars 17% above '87

Canadian automakers scheduled production of 22,503 cars last week, 2.78 percent more than the previous week's 21,895 and 28.31 percent more than the year-ago week's 17,538.

So far this year, 242,081 units have been assembled, 17.13 percent more than the 206,677 completed last year at this point.

Truck output was slated at 19,675 units last week, 1.83 percent below the prior week's 20,042 but 13.36 percent more than the year-ago week's 17,356.

Year-to-date, 210,220 trucks have been built, 13.83 percent more than the 184,672 assembled last year at this time.

The second shift at General Motors' Oshawa, Ontario, plant was scheduled to resume today. It was dropped last November due to slow sales.

Chrysler Motors' Bramalea, Ontario, plant resumed production today. The plant had been idle to make a change in the production mix of Premier models.

U.S. CAR	Week Ended March 19, 1988	Week Ended March 21, 1987	Week Ended March 13, 1988	Month to Date	Jan. 1 to March 19, 1988	Jan. 1 to March 21, 1987
Alliance	0	763	0	0	0	6,374
Total Eagle	0	763	0	0	0	6,374
Horizon	1,400	0	1,725	4,466	18,423	32,324
Sundance	2,100	2,643	2,115	5,916	23,255	25,272
Reliant	2,500	2,977	2,510	6,035	13,057	30,256
Caravelle	500	1,046	506	1,006	3,897	14,007
Gran Fury	150	0	199	357	2,427	4
Total Plymouth	8,650	8,366	8,939	17,000	66,059	101,857
LeBaron K	500	2,266	486	1,451	3,208	20,417
LeBaron J	1,880	2,197	1,933	5,252	16,572	16,514
LeBaron GTS	199	939	178	482	1,732	9,235
M. Yorker E-Class	0	2,007	0	0	0	10,873
M. Yorker C-Class	2,200	0	2,224	5,166	22,063	0
Fifth Avenue	250	1,214	370	961	10,850	8,336
Total Chrysler	4,909	6,626	5,263	14,312	48,415	71,374
Omni	1,400	0	1,576	4,427	18,052	27,744
Daytona	1,800	1,097	1,949	5,276	9,806	9,369
Shadow	2,200	2,233	2,285	6,276	24,343	22,714
Aries	2,300	2,599	2,219	5,050	14,436	25,848
Dodge 600	400	1,823	479	875	3,366	11,997
Dynasty	2,400	0	2,450	6,740	24,204	6
Lancer	200	998	228	610	2,840	6,917
Diplomat	500	0	484	1,194	4,431	4
Total Dodge	11,200	7,540	11,777	30,448	101,278	109,679
CHRYSLER MOTORS	22,750	22,232	23,930	62,587	215,753	286,483
Escort	4,482	8,222	2,382	8,716	76,634	85,104
Mustang	4,594	5,239	4,470	12,706	49,296	52,000
Tempo	4,488	4,404	3,987	11,470	44,987	46,052
Taurus	7,942	9,365	7,948	22,259	87,396	110,583
Thunderbird	3,466	3,372	3,352	9,138	35,894	33,415
Total Ford Div.	24,974	30,592	22,109	64,289	294,190	327,157
Lynx	1	1,023	0	0	0	14,198
Topaz	1,935	1,997	1,645	4,998	17,466	13,840
Cougar	2,299	3,377	2,418	7,015	27,773	43,155
Sable	2,617	3,477	2,639	7,376	27,231	34,424
Total Mercury	6,851	8,944	6,597	19,278	72,540	105,617
Continental	1,079	419	943	2,880	9,648	4,229
Mark VII	548	997	448	1,436	5,934	6,328
Lincoln	3,244	3,049	2,809	8,845	33,238	31,656
Total Lincoln	4,872	4,066	4,200	12,960	48,856	42,213
Total L-M Division	11,723	13,010	10,797	32,238	121,396	147,830
FORD MOTOR CO.	36,677	43,602	32,906	96,526	415,516	474,987
Skyhawk	1,088	860	1,106	2,169	7,188	10,758
Skylark/Somerset	360	2,052	346	1,024	5,348	21,006
Century	2,435	4,348	1,875	4,960	12,898	47,598
Regal (rwd)	0	785	0	0	0	11,166
Riviera	156	329	130	429	1,574	5,530
Electra	1,278	2,414	1,253	3,537	14,785	25,289
LeSabre (fwd)	2,500	2,885	2,400	6,827	25,520	24,602
LeSabre (rwd)	225	320	219	594	1,472	4,912
Reatta	134	0	97	306	776	0
Total Buick	8,171	13,794	7,426	19,845	70,504	150,962
Cimmaron	146	424	117	447	2,778	5,114
Eldorado	1,224	486	1,010	3,158	7,246	4,276
Seville	732	401	586	1,807	4,871	7,083
Brougham (rwd)	0	1,857	0	0	0	22,001
Deville (fwd)	4,000	3,951	3,967	11,154	42,796	41,743
Allante	65	56	65	183	498	540
Total Cadillac	6,167	7,185	5,757	16,839	58,190	80,757
Cavalier	7,232	8,038	7,275	20,145	71,840	63,988
Camaro	2,325	1,115	974	3,084	11,484	17,984
Celebrity	3,965	8,983	4,498	9,461	33,041	91,734
Corsica/Beretta	8,920	7,917	9,132	25,288	84,677	61,545
Monte Carlo	0	2,019	0	0	0	16,998
Caprice	3,335	5,053	3,152	9,276	44,821	82,430
Corvette	440	642	449	1,250	4,753	7,057
Total Chevrolet	26,257	33,767	25,478	68,502	250,426	391,757
Calais	2,020	2,767	2,020	5,725	22,693	26,788
Firenza	497	318	482	879	3,506	5,021
Cutlass Ciera	0	3,567	0	0	0	46,211
Cutlass Supreme	2,216	1,671	2,219	5,918	20,696	12,088
Toronado	402	343	403	1,302	3,697	4,256
88 (fwd)	3,361	5,140	3,210	8,149	33,056	53,809
88 (rwd)	285	312	152	611	2,882	4,472
Olds 98	1,838	2,018	1,827	5,119	19,379	21,190
Total Oldsmobile	10,709	16,176	10,310	28,784	105,134	175,816
Sunbird	2,162	2,996	1,963	5,834	23,733	28,054
Grand Am	4,809	6,126	4,858	13,474	52,935	61,098
Firebird	1,795	1,022	972	3,449	10,011	16,479
Grand Prix	2,041	0	2,041	5,540	22,307	0
Pontiac 6000	2,710	2,273	2,527	6,998	11,030	20,196
Bonneville	2,977	3,096	2,982	5,857	19,710	34,909
Safari/Parisienne	285	276	177	508	1,471	2,993
Fiero	618	1,131	613	1,661	3,622	8,744
Total Pontiac	16,420	16,883	15,171	43,048	135,709	172,412
GENERAL MOTORS	67,724	87,805	64,142	177,023	619,924	811,604
HONDA	8,095	7,379	7,088	21,087	78,298	77,557
Civic	2,213	1,808	1,929	5,570	19,088	28,706
Accord	5,872	5,573	5,139	15,497	58,295	46,851
MAZDA†	1,840	0	1,888	4,711	12,973	0
NISSAN	2,089	2,946	1,484	4,640	15,012	32,152
NUMMI	3,250	4,111	3,331	9,245	34,888	44,549
Corolla	1,200	652	1,203	3,302	12,287	9,088
Nova	2,050	3,259	2,128	5,953	22,593	35,441
VOLKSWAGEN	2,000	2,014	1,998	5,618	13,785	17,884
Golf/GTI	1,300	1,764	1,298	3,658	9,196	15,884
Jetta	700	250	700	1,960	4,600	2,000
Total Cars, U.S.	144,416	171,149	136,534	381,412	1,406,731	1,844,187
Total Cars, Canada	22,503	17,538	21,895	63,073	242,081	206,677
U.S., Canada Cars	166,919	188,687	158,429	444,485	1,648,812	2,050,864
U.S., Canada Cars and Trucks	271,585	268,228	265,900	741,827	2,795,698	3,096,271

Monthly estimates may contain error of one or two units due to rounding.
*—Subaru. †—Total includes Mazda-U.S. and Ford Aerostar.

CANADIAN CAR	Week Ended March 19, 1988	Week Ended March 21, 1987	Week Ended March 13, 1988	Month to Date	Jan. 1 to March 19, 1988	Jan. 1 to March 21, 1987
Eagle	0	—	0	0	0	—
Premier	0	—	0	1,366	14,440	—
CHRYSLER MOTORS	0	199	0	1,366	14,440	1,690
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	4,402	—	4,364	12,220	45,543	—
Topaz	1,356	—	1,341	3,776	16,280	—
Crown Victoria	2,880	—	2,794	8,001	31,090	—
Grand Marquis	2,880	—	2,826	7,902	30,407	—
FORD MOTOR CO.	11,518	11,280	11,315	31,989	123,329	123,291
Celebrity	333	—	241	830	3,914	—
Cutlass Ciera	5,285	—	5,440	14,882	46,526	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	580	—	496	1,562	9,872	—
Regal	3,997	—	3,579	10,099	35,916	—
GENERAL MOTORS	10,155	5,592	9,756	27,382	96,228	77,744
HONDA	680	201	602	1,933	6,826	1,512
VOLVO	140	225	142	361	1,287	2,476
Total Cars, Canada	22,503	17,538	21,895	63,073	242,081	206,677

U.S. TRUCK*	Week Ended March 19, 1988	Week Ended March 21, 1987	Week Ended March 13, 1988	Month to Date	Jan. 1 to March 19, 1988	Jan. 1 to March 21, 1987
Caravan	1,900	—	2,429	5,942	21,989	—
Dakota	2,800	—	2,885	7,884	25,532	—
Mini-Ram Van	200	—	141	692	3,229	—
Pickups	1,300	—	1,406	3,733	12,500	—
Total Dodge	6,200	5,469	6,843	18,251	63,250	54,919
Cherokee	3,800	—	3,797	10,141	40,013	—
Commanche	1,000	—	1,082	2,757	10,953	—
Grand Wagoneer	300	—	348	928	3,092	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	303	710	2,980	—
Total Jeep	5,300	4,436	5,510	14,536	57,046	49,419
Voyager	1,700	—	2,094	5,416	20,293	—
Total Plymouth	1,700	—	2,094	5,416	20,293	—
CHRYSLER MOTORS	13,200	9,899	14,447	36,203	140,601	104,336
Aerostar	4,465	—	4,363	12,368	50,362	—
Bronco	1,275	—	1,294	3,583	13,853	—
Bronco II	2,968	—	2,967	8,311	33,536	—
Econoline	5,158	—	5,146	14,482	56,327	—
Heavy trucks	1,366	—	1,364	3,830	14,702	—
Light trucks	10,411	—	11,036	30,340	111,089	—
Ranger	7,433	—	7,286	20,557	80,707	—
Total Ford Div.	33,055	32,302	34,043	93,536	361,196	368,767
FORD MOTOR CO.	33,055	32,302	34,043	93,536	361,196	368,767
Astro	3,830	—	3,706	10,176	38,204	—
Blazer	523	—	592	1,622	6,102	—
Medium/Heavies	340	—	240	824	5,469	—
P-Model	0	—	0	706	8,502	—
Pickups	6,389	—	6,801	18,773	68,921	—
S-10	6,589	—	6,312	17,296	60,840	—
S-10 Blazer	3,522	—	3,430	10,209	33,214	—
Sportsvan/Van	1,392	—	1,624	4,218	15,136	—
Suburban	1,410	—	1,630	4,442	16,053	—
Total Chevrolet	23,975	24,287	24,346	68,256	253,440	249,876
Jimmy	183	—	223	544	1,984	—
Medium/Heavies	956	—	1,043	2,770	10,282	—
P-Model	0	—	0	119	724	—
Pickups	2,503	—	2,042	6,035	23,289	—
S-15	1,450	—	1,809	4,638	16,542	—
S-15 Jimmy	858	—	882	1,971	8,006	—
Safari	959	—	1,108	2,894	10,156	—
Suburban	647	—	808	2,049	8,236	—
Vandura/Rally/Vans	988	—	743	2,365	10,227	—
Total GMC	8,539	7,918	8,656	23,185	89,471	86,726
GENERAL MOTORS	32,501	32,185	33,005	91,440	342,911	335,602
NAVISTAR	1,785	1,618	1,653	4,722	19,272	17,169
NISSAN	1,670	1,594	1,531	5,755	22,362	19,018
AM GENERAL*	450	50	450	1,285	4,950	550
MISCELLANEOUS*	2,300	2,300	2,300	6,440	25,300	25,300
Total Trucks, U.S.	84,971	80,185	87,429	241,357	926,594	860,735

CANADIAN TRUCK	Week Ended March 19, 1988	Week Ended March 21, 1987	Week Ended March 12, 1988	Month to Date	Jan. 1 to March 19, 1988	Jan. 1 to March 21, 1987
Caravan	3,048	—	3,092	8,609	33,586	—
Mini-Ram Van	336	—	349	953	2,853	—
Ram Wagon	580	—	532	1,544	4,928	—
Ram Van	1,330	—	1,428	3,839	12,323	—
Total Dodge	5,274	9,178	5,381	14,937	53,670	67,428
Voyager	2,760	—	2,811	7,810	31,389	—
Total Plymouth	2,760	—	2,811	7,810	31,389	—
Wrangler	1,018	—	1,098	2,911	11,081	—
Total Jeep	1,018	643	1,098	2,911	11,081	6,951
CHRYSLER MOTORS	9,052	9,821	9,290	25,658	96,141	104,379
FORD MTR. (L. Ste.)	3,648	3,242	3,806	10,179	39,415	39,514
Light trucks	3,376	—	3,400	9,257	34,822	—
Vans	1,470	—	1,280	3,803	14,238	—
Total Chevrolet	4,846	—	4,680	13,060	49,060	—
Light trucks	1,425	—	1,647	4,642	16,872	—
Vans	480	—	654	1,814	6,269	—
Total GMC	1,905	—	2,301	6,256	23,141	—
GENERAL MOTORS	6,750	4,188	6,981	19,315	72,201	41,586
NAVISTAR	228	185	228	633	2,433	2,183
Total Trks., Canada	19,675	17,356	20,042	56,765	210,220	184,672
U.S., Canada Trks.	104,646	97,541	107,471	297,142	1,136,814	1,045,407

—Includes station van production. *—Estimates; also includes commercial cars. All General includes Geo/Isuzu/Suzuki vehicles. Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc. Miscellaneous may include some of the U.S. and Canada totals.

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March 28, 1988

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DEALER TAX HEADACHE:

One man's defeat creates a bugaboo: When is incentive trip business, too?

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

Dealers who mix business with pleasure on sales incentive trips better have a well-documented business plan for the trip if they expect their income tax deductions to hold up.

Nathan Wade, owner of Wade Subaru in Salt Lake City, knows that all too well. Earlier this month, a U.S. Tax Court there said it would not regard a 1984 trip by Wade and his wife to Paris as a business-related trip even though the couple made a side trip to Germany to purchase five BMWs for resale in the United States.

It's impossible to know how often dealers take such business deductions on their taxes, but an industry expert said it happens occasionally.

"A trip will not be regarded as business-related if it is primarily for pleasure and in the nature of a vacation," the court ruled. "A mere casual connection to one's business does not justify treating the cost of the trip as a business expense."

Wade had argued that the amount the trip represented in income should be offset by an imputed business expense when he and his wife traveled to Germany and purchased the five BMWs. Wade drove one of the vehicles from Aachen to the port for delivery to the United States and his wife followed in another of the cars for the return trip to Aachen.

"The mere fact that petitioner's wife

see TAX, page 50

Mazda Motor chief blasts U.S. part firms

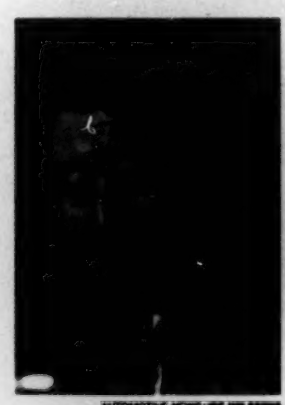
By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

ANN ARBOR, Mich. — Only six months into United States car-building, Mazda Motor Manufacturing (USA) President Osamu Nobuto harshly criticized U.S. auto parts manufacturers for not meeting Mazda's quality and delivery requirements.

In a severely worded address, Nobuto last week told the University of Michigan's eighth annual International Automotive Industry Conference that the lack of organization in American parts firms and inadequate communication — both within the parts firms and between them and their suppliers — contribute to the problems.

He said problems with American parts makers also result from Ameri-

see NOBUTO, page 50



AUTOMOTIVE NEWS/JOE WILKENS

Mazda's Osamu Nobuto

Lawsuit bares shop secrets of Nissan, supplier

By Charles M. Thomas and Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTERS

The fiery dispute between a major automaker and its service-contract supplier has ended up in federal court, providing a rare public glimpse into the controversial manufacturer-dealer-insurer relationship — and revealing a plethora of data on warranty costs and profits and car failure rates.

Nissan Motor Corp. in U.S.A. has sued its in-house vendor of extended service contracts, Oklahoma-based Adesco Corp., in a feud that has sparked a morass of lawsuits between the two companies, dealers and Adesco's accountants.

Adesco has accused some Nissan dealers in Florida of incidents of fraud in their filing for payments on claims for service and parts. And one Adesco official charged that Nissan may be trying to bankrupt Adesco so Nissan can start its own extended service contract unit.

Adesco, which also administers and insures service contracts for Isuzu and Mazda, said its loss ratio on claims by Florida Nissan dealers was 165.8 percent, compared with 118.3 percent for Nissan nationwide. That means that for every $1 paid into service contract reserves, $1.658 was paid out in claims in Florida, while $1.183 was paid out nationally.

In contrast, the loss ratio for the two other Japanese makers handled by Adesco was 69.3 percent, it says.

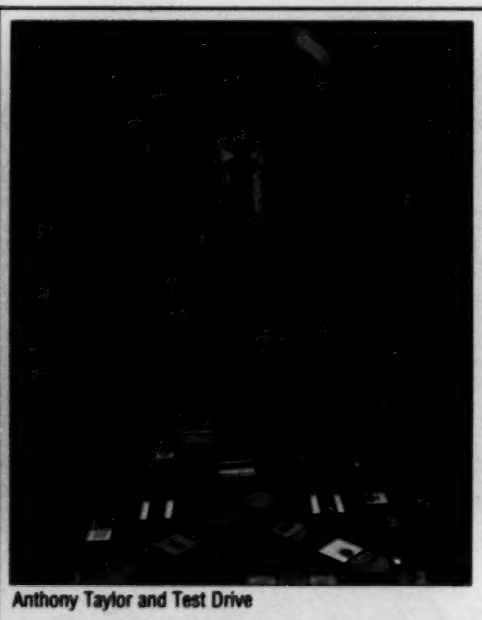
Adesco, through its affiliate — Oklahoma-based Minnehoma Insurance Co. — had threatened earlier in the year to terminate as many as 100 dealers after it audited five Florida dealerships and allegedly found instances of fraudulent claims filed by dealers. Both Adesco and Minnehoma are owned by K. George Paganis.

Nissan won a temporary restraining order from a U.S. District Court judge in Los Angeles, halting Minnehoma from notifying the Japanese importer's customers and dealers in Florida and elsewhere that it will terminate dealers from the program.

A hearing on making the injunction permanent is scheduled for April 5.

Meanwhile, Minnehoma has sued five Nissan dealers in Florida on charges of fraud and civil theft

see NISSAN, page 48



Anthony Taylor and Test Drive

Cars-R-Us

Nashville salesman turns auto biz into board game

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

If anyone needs proof that people who sell cars are among the world's most steadfast optimists, consider this: A Tennessee salesman is betting that Americans will spend $29.95 for a chance to haggle over car prices during their leisure time.

The gimmick is Test Drive, a board game created by salesman Anthony Taylor at Frank Davis Buick-Jeep-Eagle in Nashville, Tenn.

Taylor hopes that by capitalizing on the nation's love affair with automobiles, Test Drive might be 1988's answer to Trivial Pursuit and other hot board games of years gone by. In the process, he promises, the game will save players a few bucks on their next car deal.

"Once they play the game, they'll never buy a car the same way again," Taylor says.

see GAME, page 46

Hyundai again swamps all in sales-per-dealer ratings

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

For the second year in a row, the average Hyundai dealer in this country delivered almost twice as many new cars as any other franchise.

The sales figure for the average Hyundai dealership in 1987 was 1,369 cars compared with 693 for the average Honda dealership, which was second in the rankings.

Foreign nameplates took the first six places in car sales per outlet and the first five spots in combined car-truck sales per dealership. Ford was the domestic leader in both categories.

It was the second year in a row that Hyundai captured the top spot and the accomplishment gains in significance in light of the fact that the first Hyundai cars went on sale in the United States in February 1986. The average Hyundai dealership delivered a record 1,431 cars in 1986.

see SALES, page 46

CAR-TRUCK SALES PER OUTLET

1. Hyundai	1,369	1,431
2. Toyota	857	947
3. Mitsubishi	831	701
4. Honda	693	716
5. Nissan	673	667
6. Ford	612	603
7. Acura	566	562
8. Suzuki	575	574
9. Chrysler	551	538
10. Jeep	514	491
11. Dodge	523	356
12. Volvo	287	275
13. Pontiac	234	224
14. Isuzu	229	235
15. Oldsmobile	228	331
16. Subaru	220	218
17. Volkswagen	219	247
18. Mercedes	213	234
19. Buick	208	227
20. Saab	161	157

Canada finds 'no injury' in Hyundai dumping case

By Jim Kenzie
STAFF CORRESPONDENT

OTTAWA — Hyundai Auto Canada may have been guilty of selling cars in Canada at prices lower than those charged in South Korea, but that action "has not caused, is not causing and is not likely to cause injury to the production in Canada of like goods."

The ruling by the Canadian Import Tribunal may greatly diminish the likelihood that the Big 3 will file similar dumping charges in the United States.

The tribunal's finding in the Canadian case means that Hyundai will not be liable for fines nor will it have to raise prices. The dumping charges against Hyundai were brought by General Motors of Canada and Ford of Canada.

The tribunal's finding was released last week.

Trade observers in the United States said GM's and Ford's inability to demonstrate injury in Can-

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Chrysler speeds up car work

New platform due; engineering pushed

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors is accelerating its development of a new car platform. The speedup comes as the company is substantially boosting its spending for engineering and fundamentally altering its product development method.

Robert A. Lutz, Chrysler Motors president of operations, said the new platform will be an addition to the company's product lineup and is not expected to replace the K-car platform, which is likely to remain in use through hybrid variations well into the 1990s.

In addition, he said, Chrysler in the next two to three years will reduce vehicle body sheet metal changes as it concentrates on engineering improvements.

"The new platform will be a net additional, much larger, much more substantial platform," Lutz said.

Lutz declined to specify the timetable for introduction of a new platform. However, sources have said the company plans a 1992 introduction.

Chrysler's extensive use of the front-wheel-drive K platform, which carried the company from near-bankruptcy to profitability in the 1980s, has been criticized with some regularity, particularly in the motoring press.

AUTOMOTIVE NEWS/JOE WILKINS

Lutz: the new platform is not expected to replace the K-car platform

Lutz said the company has also developed a "hybrid-K platform," which will debut in the 1989 model year in the A-body Dodge Spirit and Plymouth Acclaim.

Lutz said the company earlier this month increased substantially its spending for advanced engineering research and development although he declined to specify the amount. Chrysler last year spent $800 million on engineering research and development.

Chrysler will develop a "supermarket" of engineering hardware available for future products. The company hopes to shorten product development cycles and gain niche marketing flexibility.

"The advanced engineering group will work on a number of engine configurations, gearbox configurations, drives, adaptive suspension systems, active, semi-active suspensions and other technology," Lutz said. "We will build one or two prototypes. Some of it may remain on the shelf forever."

Lutz said results from the effort, particularly in the area of suspensions, may reach the market in two years.

He also said Chrysler may work with Mitsubishi as it develops new technology.

But, he added, "I don't want to become dependent on a company we don't own for our technology."

Chrysler has also asked Lamborghini, which it owns, "to take a look at some advanced engine concepts," Lutz said. However, he added, that it is unlikely the Italian auto company would be involved in high-volume projects.

The engineering program is part of a product development strategy that allows each marketing division under Bennett E. Bidwell, president of product and marketing, to determine future product needs.

It is Lutz' job to style, engineer and manufacture the desired products. Having engineering hardware available will permit faster and more flexible product development, he said, and allow the company to respond more quickly in the market.

Sport utilities win round with Customs

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Sport/utility vehicles imported without rear seats will continue to be treated as trucks by the U.S. Customs Service, the agency announced Friday.

In letters to Suzuki of America Automotive Corp., Mitsubishi Motor Sales of America and American Isuzu, Customs has upheld previous letters of understanding allowing these vehicles to be imported as trucks.

While permitting the companies to continue the practice, it is expected that Customs will seek public comment to develop new guidelines covering these imports.

But the rulings represent a first round victory for several of the smaller Japanese companies that have been importing the vehicles without limit as trucks subject to a 25 percent tariff.

If the multi-purpose vehicles were determined to be passenger units by the service, they would fall under the 2.3 million voluntary export restraint car quota among Japanese manufacturers.

About 200,000 of the vehicles were sold last year, and sport/utility units represent one of the fastest growing segments in the auto industry.

Suzuki, which imported more than 90 percent of the 80,000 Samurais it sold last year as trucks, would have been virtually shut out of the U.S. market if the decision had gone the other way. American Isuzu, which imported more than 40,000 Trooper II sport/utility vehicles last year, relies on this category for about a third of its total sales.

"We are certainly very happy with the ruling," N. Douglas Mazza, Suzuki's executive vice president said. "We had consistently maintained that we were living up to everything we were asked to do by Customs. We are happy to have the issue settled for the time being."

Customs was asked to re-evaluate the status of the vehicles at the request of Rep. John Dingell, D-Mich., who charged that the Japanese manufacturers were evading car quotas by importing the vehicles as trucks and later installing rear seats to turn them into passenger vehicles. Dingell also ordered a Government Accounting Office investigation into the practice.

Richard Recchia, executive vice president of Mitsubishi's U.S. unit, said the ruling "means we can go back to a normal sales program for our Montero" sport/utility vehicle. The company suspended shipments last fall when the issue surfaced and planned to resume imports of car versions April 1. The ruling means that the company will also begin importing truck units at that time as well.

Recchia added, however, "What the letter leaves unanswered is what is going to happen in the future."

Customs is expected to solicit public comment on its rulings and formulate new guidelines to cover these vehicles.

At stake are considerable revenues. Sport/utility vehicles imported as trucks generate about $200 million a year under the 25 percent truck tariff. If imported as a car, the vehicles would be subject to a 2.5 percent duty.

In response to Dingell's inquiry last fall, William von Raab, who heads Customs, replied that it was legal to bring in the vehicles as trucks but said area inspectors were being notified to watch for vehicles that were outfitted with rear passenger comfort items such as arms rests, seat belt anchors and carpeting and to reclassify those units as passenger vehicles. However, the importers were unaware of the new policy.

A Customs agent in Long Beach determined that a small number of the sport/utility vehicles imported by Toyota, Isuzu and Mitsubishi were for passenger use and reclassified them as passenger vehicles. The manufacturers appealed the decision and requested that customs issue a definitive ruling on whether or not these vehicles can be imported as trucks.

At that time, Toyota Motor Sales U.S.A. and Mitsubishi Motor Sales of America halted the import of sport/utility vehicles and vans as trucks. Toyota imports the 4Runner, while Mitsubishi's model in this segment is the Montero. Suzuki continued imports, while American Isuzu shipped a number of its units to foreign trade zones and later resumed shipments.

Not all manufacturers are equally affected by the classification issue. Larger manufacturers with higher quotas under VRA have the option of importing these sport/utility vehicles, as well as vans, as passenger cars.

Grand jury eyes Roman Motors

MIAMI — A federal grand jury in Miami apparently is investigating Roman Motors Corp., the Florida-based company that claimed import rights to Romanian-built motor vehicles throughout last year despite the denials of both the manufacturer, Auto Dacia of Romania, and various Romanian embassy officials.

Several dealers said they paid Roman Motors thousands of dollars for parts, signs and franchise rights for the Romanian imports. Several civil lawsuits are now in progress as a result.

The Roman Motors saga began in early 1986 when the company and its Swiss partner, Sveltec, claimed rights from Auto Dacia to import the Dacia and Olcit cars as well as the Aro four-wheel-drive vehicle — claims quickly denied by Romanian embassy officials in the United States.

In 1987 at the National Automobile Dealers Association convention in Las Vegas, Roman Motors mounted an extensive dealer recruiting campaign and signed as many as 60 dealers, collecting as much as $1.7 million in deposits.

However, by last spring, two other importers for the United States were appointed by Auto Dacia and a key middleman in the complicated dealings, Joseph Constantine Dragan, chairman of Marimex, a Paris-based trading affiliate, admitted Roman Motors' claim for the U.S. "was in doubt."

A document signed by most of the key players revealed that the contract upon which their claims had been based was "null and void." This document was signed in May 1986, well before Roman Motors made its push to sign dealers and collect deposits.

Automotive News first revealed the controversy in January 1987 and covered developments extensively throughout the year, with reporter John Russell winning a coveted Jesse H. Neal certificate of merit for editorial achievement for his coverage.

In the Miami federal probe, the U.S. attorney in Miami is attempting to have Automotive News officials appear before the grand jury.

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Estes dies; was GM president

Elliott M. "Pete" Estes, the former General Motors president who guided the company through two energy crises and led the program to downsize GM cars, died Thursday in Chicago of an apparent heart attack. He was 72.

Estes collapsed at O'Hare International Airport and was pronounced dead on arrival at Resurrection Hospital. He was traveling from his winter home near Phoenix for a Friday meeting of the Kellogg Co. board of directors.

Estes retired from GM on Feb. 1, 1981, after six years as president. During his 47 years with GM, Estes served with the Research Laboratories and three car divisions, including stints as general manager of Pontiac and Chevrolet. He had been in charge of all car and truck divisions and had headed GM's overseas operations.

Estes was GM president during the turbulent 1970s when the industry endured two energy shortages, the subsequent onslaught of Japanese imports and massive government regulations. As president, he oversaw GM's conversion to smaller, front-wheel-drive, fuel-efficient cars, now the core of GM's product line.

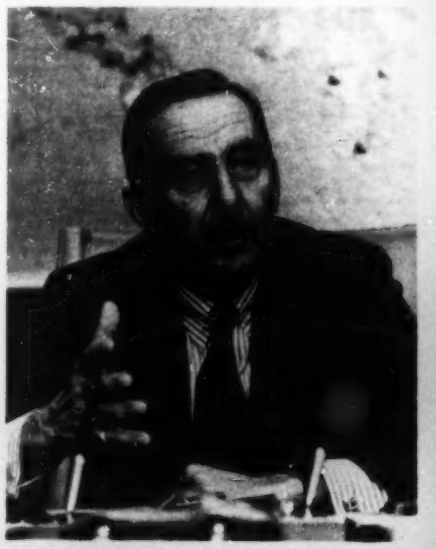
Friends and colleagues described Estes as "a product guy," and Estes was often quoted as saying he was "born to be an engineer." Chief among his mentors was the late Charles F. "Boss" Kettering, GM's legendary engineer, scientist and inventor.

Born in Mendon, Mich., Estes joined the GM Research Laboratories in 1934 as a student at General Motors Institute in Flint, Mich. He also held a mechanical engineering degree from the University of Cincinnati.

In 1946, he joined Oldsmobile as a development engineer as a member of the Kettering team that introduced the Olds Rocket, the division's first V-8 engine.

GM's official biography said Estes was a member of the Kettering team that developed the industry's first high-compression engine. When he was asked by Automotive News, "What about his predecessor as president, Ed-

see ESTES, page 45



Elliott M. "Pete" Estes